

Message Text

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44

ACTION AID-05

INFO OCT-01 AF-10 ISO-00 PC-10 USIA-15 IO-14 INR-11 DODE-00

AGR-20 INT-08 COME-00 SWF-02 FDRE-00 DRC-01 RSC-01

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R 031410Z OCT 74

FM AMEMBASSY CONAKRY

TO SECSTATE WASHDC 0166

INFO AMEMBASSY DAKAR

AMEMBASSY ROME

LIMITED OFFICIAL USE CONAKRY 1509

AFDROUGHT

ROME FOR FODAG

E.O. 11652: N/A

SUBJECT : GUINEAN DECISION TO SELL PL-480 TITLE II COMMODITIES

REFERENCE : A. CONAKRY 1253; B. STATE 188347

1. IN RESPONSE TO OUR EMBASSY NOTE OF AUGUST 21 INQUIRING ABOUT GUINEAN INTENTIONS TO DISTRIBUTE THE TITLE II FOOD, FOREIGN MINISTRY HAS INFORMED US BY DIPLOMATIC NOTE "THAT THE 4,000 MT CORN AND 1,000 MT OF SORGHUM WILL BE SOLD BY THE GOVERNMENT AND THE PROCEEDS ALLOCATED TO BUDGET OF FIVE-YEAR PLAN IN ORDER TO BE USED FOR SOCIAL PURPOSES TO THE EXCLUSIVE BENEFIT OF THE GUINEAN PEOPLE." THE GRAIN WILL BE SOLD IN THE DROUGHT AREAS WHERE THE PROJECTS TO BE FINANCED BY THE PROCEEDS WILL ALSO BE PRIMARILY LOCATED.

2. NOTE SAYS THAT DECISION IS BASED UPON A STATEMENT MADE BY PRESIDENT TOURE IN AUGUST 25 SPEECH. PERTINENT SECTIONS READS: "THE SOVIET UNION HAS JUST OFFERED US FREE OF CHARGE 10,000 TONS OF FLOUR. THIS STOCK IS CONSIDERED AS IF IT HAD LIMITED OFFICIAL USE LIMITED OFFICIAL USE

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BEEN IMPORTED AND THE PRICE IS APPLIED TO THE PLAN WHICH WILL USE IT FOR CERTAIN NECESSARY OUTLAYS". THIS GUINEAN NOTE,

DATED SEPTEMBER 3, PRECEDED OUR FIRST ORAL COMMUNICATION TO THEM THAT TITLE II FOOD IS INTENDED FOR FREE DISTRIBUTION (AT TIME OF TDY VISIT TO CONAKRY OF FFPO HENRY WEBB).

3. THE DECISION TO SELL THE GRAINS IS IN KEEPING WITH ESTABLISHED GUINEAN PRACTICE FOR THE DISTRIBUTION OF FOOD. GUINEAN GOVERNMENT FEELS THAT IF IT HAD PURCHASED GRAINS FOR DROUGHT RELIEF (ASSUMING IT HAD THE FUNDS), THEY WOULD HAVE BEEN SOLD RATHER THAN BEING DISTRIBUTED FRATIS. THIS IS BASED ON BELIEF THAT WITH OTHER AREAS OF GUINEA ALSO IN NEED OF FOODS, TO GIVE AWAY GRAINS WOULD ESTABLISH POTENTIALLY HARMFUL PRECEDENT. FURTHERMORE, OFFICIAL SELLING PRICE FOR GRAINS IS A MERE FRACTION OF THE TRUE MARKET PRICE AS REFLECTED ON THE PARALLEL MARKET. EMBOFF WAS INFORMED BY GUINEAN OFFICIAL RESPONSIBLE FOR PL-480 THAT IN ANY CASE LARGE PORTION OF RECEIPTS FROM SALE WILL BE USED TO COVER PORT HANDLING, TRANSPORTATION AND DISTRIBUTION COSTS. GRAIN DISTRIBUTION THROUGH OFFICIAL AND CONTROLLED CHANNELS, AT OFFICIAL AND (IN EFFECT) NOMINAL PRICE, IS EFFECTIVE MEANS OF GETTING FOOD INTO HANDS OF THOSE WHO NEED IT, I.E., PERSONS AFFECTED BY DROUGHT. THIS SYSTEM THEREFORE SEEMS FULLY IN ACCORD WITH SPIRIT OF USG/FFP POLICY.

4. THE DECISION WAS MADE BY THE STATE COMMITTEE FOR ECONOMIC COOPERATION WITH THE AMERICAS IN KEEPING WITH STANDARD GUINEAN POLICY AND CAN BE REVERSED ONLY BY PRESIDENT TOURE PERSONALLY. TO REQUEST PRESIDENTIAL INTERVENTION AT THIS STAGE WOULD RISK LOSING MUCH OF THE POSITIVE POLITICAL IMPACT OF THE GIFT, SINCE OUR ACTION MIGHT BE REGARDED AS DISRUPTING NORMAL AND ACCEPTED GUINEAN WAY OF DEALING WITH AN INTERNAL PROBLEM.

5. IN VIEW OF ABOVE CONSIDERATIONS, EMBASSY RECOMMENDS THAT AID GRANT AN EXCEPTION ALLOWING GUINEAN GOVERNMENT TO SELL TITLE II GRAINS.

6. ADVISE.
TODMAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DISASTER RELIEF, AFDROUGHT, SORGHUM, PL 480 TITLE 2
Control Number: n/a
Copy: SINGLE
Draft Date: 03 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740280-0426
From: CONAKRY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741077/aaaacnmy.tel
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